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LONG ISLAND OFFICE

ALB:BTK  
F. #2015R02012

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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18 157M

UNITED STATES OF AMERICA

COMPLAINT  
FILED UNDER SEAL

- against -

(18 U.S.C. § 1512(c)(1))

BLAKE KANTOR,  
also known as "Bill Gordon,"

Defendant.

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EASTERN DISTRICT OF NEW YORK, SS:

JOSHUA WAYNE, being duly sworn, deposes and states that he is an Special Agent with the Department of the Treasury's Internal Revenue Service, Criminal Investigation ("IRS-CI"), duly appointed according to law and acting as such.

On or about and between October 27, 2017 and November 6, 2017, within the Eastern District of New York and elsewhere, the defendant BLAKE KANTOR, also known as "Bill Gordon," did knowingly, intentionally and corruptly alter, destroy, mutilate, and conceal a record, document, and other object, and attempted to do so, with the intent to impair the record, document and object's integrity or availability for use in an official proceeding, to wit: a federal grand jury investigation in the Eastern District of New York.

(Title 18, United States Code, Section 1512(c)(1))

The source of your deponent's information and the grounds for his belief are as follows:<sup>1</sup>

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<sup>1</sup> Because the purpose of this Complaint is to set forth only those facts necessary

1. I am an Special Agent with IRS-CI and have been involved in the investigation of numerous cases involving tax evasion, wire fraud, mail fraud, securities fraud and obstruction of justice and related crimes. I am familiar with the facts and circumstances set forth below from my participation in the investigation; my review of the investigative file, including the defendant's criminal history record; and from reports of other law enforcement officers involved in the investigation.

2. On or about October 27, 2017, in connection with an ongoing federal grand jury investigation, the defendant BLAKE KANTOR, also known as "Bill Gordon," was interviewed by me and Special Agents with the Federal Bureau of Investigation ("FBI") in Suffolk County, New York (the "October 27 interview"), concerning his knowledge of and role in a binary options trading scheme that operated between approximately 2012 and 2017.<sup>2</sup> During the course of the interview, KANTOR was specifically questioned about his employment history and his current employment, along with other matters. As relevant here, in addition to describing his employment between approximately 2012 and 2013 at a binary options company that he knew was engaging in fraud—the identity of which is known to the

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to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

<sup>2</sup> Binary options are a form of securities in which a customer earns a prearranged premium for correctly determining whether a given event will occur with respect to a particular security at particular time. For example, a customer could earn a 67% premium on an investment by selecting whether Google, Inc.'s stock will be trading at a particular price at a particular time. If the customer selects the result incorrectly, however, the customer loses his or her investment. In a binary options scheme, individuals engage in fraud by rigging the results of the events that customers are selecting, by fraudulently preventing customers from withdrawing their money from binary options accounts and through other means designed to prevent customers from earning premiums and/or withdrawing their money.

United States Attorney (“JOHN DOE COMPANY #1”)—KANTOR stated in substance that following his work at JOHN DOE COMPANY #1, he worked at an Internet sales and marketing company and in connection with an “initial coin offering” for a type of cryptocurrency.


3. On or about November 6, 2017, the defendant BLAKE KANTOR, also known as “Bill Gordon,” again met with me and FBI Special Agents in Suffolk County, New York (the “November 6 interview”). On this occasion, however, KANTOR admitted that, in or around April 2014, following his work at JOHN DOE COMPANY #1, KANTOR established Blue Bit Banc, a binary options trading company. KANTOR further stated in substance that he had operated Blue Bit Banc from approximately 2015 to 2016.

4. In addition, during the November 6 interview, the defendant BLAKE KANTOR, also known as “Bill Gordon,” stated in substance that he operated Blue Bit Banc as a binary options trading scheme. As KANTOR explained, in substance, part of the fraudulent scheme involved KANTOR directing co-conspirators to cause investors’ accounts to lose money, not because of the results of actual binary options trades, but simply to ensure that KANTOR and Blue Bit Banc earned fraudulent profits.

5. Moreover, during the November 6 interview, the defendant BLAKE KANTOR, also known as “Bill Gordon,” stated in substance that following the October 27

interview, he deleted email communications relevant to the Blue Bit Banc scheme in an effort to conceal his fraud from myself and other federal agents involved in an ongoing federal grand jury investigation.

WHEREFORE, your deponent respectfully requests that the defendant BLAKE KANTOR, also known as "Bill Gordon," be dealt with according to law.

  
JOSHUA WAYNE  
Special Agent, IRS-CI

Sworn to before me this  
21st day of February, 2018

/s/ Anne Y. Shields  
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THE HONORABLE ANNE Y. SHIELDS  
UNITED STATES MAGISTRATE JUDGE  
EASTERN DISTRICT OF NEW YORK